United States Department of Agriculture
Agricultural Adjustment Administration
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PARITY INCOME FOR FARMERS IS ONE OF PARAMOUNT IMPORTANCE AT THIS TIME

(Speech of Hon. John H. Bankhead of Alabama in the Senate of the United States May 6, 1941)

Mr. BANKHEAD. Mr. President, the subject of parity income for farmers is one of paramount importance at this time. As a result of the expenditure of billions of dollars by the Federal Government in its national preparedness program, prices of industrial commodities are getting higher. The pay of industrial workers is increasing, and those increases are reflected in the cost of industrial commodities which the farmers must buy. The foreign markets for some of the basic agricultural commodities, particularly cotton and wheat, have completely disappeared. Six or seven million bales of cotton which have normally been exported each year are now eliminated from world trade. Millions of bushels of wheat which in normal times were sold to foreign markets annually are now held in elevators under Government loans. Excessive surpluses of corn are also in the ever-normal granaries.

The reduction in consumption of these basic commodities has resulted in the reduction of the acreage planted and therefore of the volume sold by the farmers. For example, in the 6 years ending with 1932 the acreage planted to cotton in the United States averaged 40,174,000 acres. For the 6 years ending with 1939, cotton acreage averaged 27,635,000, a reduction of 31 percent. The acreage in 1939 was 40 percent below the 1932 acreage.

By a conservative estimate, 80 percent of the Nation's farmers grow one or more of the basic crops. The producers of the basic commodities are the farmers who make most of the sacrifices that are required by the soil-conservation and marketing programs practiced for the past 5 or 6 years.

The object of the pending bill is to take another step toward securing parity prices for producers of the basic agricultural commodities. What do we mean when we talk about parity price and parity income? Broadly speaking we mean fair prices for farm products and fair income for farmers. We use the 1909-14 period as a yardstick to measure parity price and income. So far as economists have been able to determine this was a period when farm prices and income were balanced with the prices of the things farmers generally buy. Farm commodities flowed freely to the cities, and manufactured goods flowed freely to the farms. The products of agricultural labor and of industrial labor were on a fair basis of exchange. It was a stable and prosperous period, and agriculture was on a plane of economic equality with labor and industry.

After the first World War, farm prices fell, but other prices did not. The prices of manufactured goods, the wages of labor, taxes, debts, and other things, stayed up. The farmers have been trying to get back on an even footing with other groups since then, and their real friends have been trying to help them.

From the standpoint of farm prices and farm income, there is no question about the need for parity payments. In the calendar year 1939, for example, the farmers' income was $1,600,000,000 below parity. For 1940 the farmers' income was $1,800,000,000 below parity. The figures show that the farmers are getting further away from parity as industrial prices increase.

Parity price, generally speaking, is that price for farm commodities which has the same purchasing power in terms of things farmers buy as these commodities had in the 5 years before the first World War. In other words, a parity price for wheat, corn, cotton, eggs, and other farm products is a price that will make these products buy as much today as they would have bought before the first World War, and pay as much on debts, taxes, and other fixed charges.

After the World War, unorganized farmers faced an organized world. Industry organized to protect itself through tariffs, and in some instances through monopolies. Labor organized to increase wages and decrease working hours. The ex-service men of the World War organized, and brought about the payment of bonuses and other benefits, including adequate hospitalization.

Our capitalistic economy depends for its very existence upon balance--balance between the various groups of our population. If, through tariffs and other Federal legislation, the Government favors industry and labor at the expense of the farmer, the Government must eventually help the farmer, too. Otherwise, we set up a series of disturbances that can be just as disastrous in their effects as interferences with circulation in the human body. If we clog the channels of trade through favoritism to some groups, we tend to cripple the country; we cause arthritis of the economic system.

I do not think there is the slightest doubt that the tariffs cost farmers money, or that other legislation which increases the cost of distribution, transportation, and labor takes money out of the farmers' pockets. If the Government takes money out of the farmers' pockets through legislation, it is only fair that the Government should put that money back.

During the years 1935-39, inclusive, the cash income of the nonfarm population averaged $625 per person, as compared with an average of only $408 in the parity period before the first World War. The income of people not on farms, even if we include the unemployed, has been averaging 50 percent higher than it did in the pre-war period. The rate of increase in farm income has been very much lower. The Bureau of Agricultural Economics has submitted a table showing the total national income, the nonfarm income, the farm income, and the farm income as percentage of the total, each year since 1909. At no time since 1919 has the percentage of farm income of the national income equaled the percentage during the pre-war period. Since 1919 there has been a steady decline in agriculture's share of the national income. The percentage has decreased from 19.2 in 1919, to 5.9, in 1940. I submit the table to be inserted in my speech at this point. A statement including Government pay rolls is also submitted as a part of the table.

After including Government payments the percentage of the national income in 1940 received by farmers was only 6.9 percent.

The VICE PRESIDENT. Is there objection to the request of the Senator from Alabama?

There being no objection, the table was ordered to be printed in the RECORD, as follows:

National income, United States, 1909-41

Year	Total	Non-farm	Farm	Farm as percentage of total
	Million dollars	Million dollars	Million dollars	Percent
1909	26,415	22,070	4,345	16.4
1910	28,114	23,474	4,640	16.5
1911	28,480	24,251	4,229	14.8
1912	30,394	25,798	4,596	15.1
1913	32,133	27,560	4,573	14.2
1914	31,919	27,367	4,552	14.3
1915	33,210	28,404	4,806	14.5
1916	39,036	33,198	5,838	15.0
1917	47,385	38,482	8,903	18.8
1918	55,357	44,856	10,501	19.0
1919	60,354	48,756	11,598	19.2
1920	64,552	56,478	8,074	12.5
1921	54,210	49,883	4,327	8.0
1922	57,546	52,109	5,437	9.4
1923	66,171	59,620	6,551	9.9
1924	68,824	61,898	6,926	10.1
1925	73,278	65,852	7,426	10.1
1926	75,564	68,695	6,869	9.1
1927	76,457	69,618	6,839	8.9
1928	78,117	71,209	6,908	8.8
1929	80.372	73,542	6,830	8.5
1930	73,571	68,456	5,115	7.0
1931	62,384	59,303	3,081	4.9
1932	48,355	46,551	1,804	3.7
1933	45,771	43,174	2,597	5.7
1934	52,540	49,164	3,376	6.4
1935	57,007	52,770	4,237	7.4
1936	66,722	61,599	5,123	7.7
1937	70,753	65,282	5,471	7.7
1938	64,687	60,236	4,451	6.9
1939 1/	68,127	63,821	4,306	6.3
1940 2/	71,829	67,611	4,218	5.9
INCLUDING GOVERNMENT PAYMENTS				
1933	45,933	43,174	2,759	6.0
1934	53,096	49,164	3,932	7.4
1935	57,590	52,770	4,820	8.4
1936	67,009	61,599	5,410	8.1
1937	71,120	65,282	5,838	8.2
1938	65,169	60,236	4,933	7.6
1939 1/	68,934	63,821	5,113	7.4
1940 2/	72,595	67,611	4,984	6.9

1/ Revision of preliminary estimate given in table on p.650 of 1941 agricultural appropriation hearings.

2/ Preliminary

Source: Bureau of Agricultural Economics.

Mr. BANKHEAD. For the year 1939 the average annual cash income per capita of farmers for the east central division was $119. The fugures are made on a basis of four and one-half members per family. On that basis the entire family's average annual cash income would be $535.50. The States comprising the east central division are Delaware, Maryland, Virginia, West Virginia, North Carolina, Kentucky, and Tennessee.

For the same years the average annual cash income per capita for the southern division was $160. Translated into families the average annual cash income was $720. The States comprising this division are South Carolina, Georgia, Florida, Alabama, Mississippi, Louisiana, Arkansas, Oklahoma, and Texas.

The other divisions show higher incomes. The average annual cash income per capita for the entire United States in 1939 was $266. Translated into families, composed of men, women, and children, the average was $1,197.

The Bureau of Agricultural Economics has compiled estimates on the cash and total net rates per hour of farm work of commercial family farms for 1939. Some of the figures are as follows:

	Cents per hour
Cotton farmers in Southeast ----------------	10.1
Cotton farmers in Texas Black Waxey Belt ------------------------------------	11.9
Cash-grain farmers in Corn Belt ------------	33.7
Spring-wheat farmers in the Great Plains -----------------------------------	32.8

As of July 1940, the average length of workday for the hired farm worker was 10.4 hours. The average day wage rate without board was $1.62. Average weekly earnings for farmers in the southern division in 1939 was $13.85, and in the east central division $10.30. These figures demonstrate the absurdly low earnings of the farmers as compared with other workers.

For further comparision of farmers' earnings let us examine W.P.A. earnings, all the money for which is provided by the taxpayers. The average hour wage rate is 45 cents; the average day rate is $2.25; the average weekly rate is $14.63; and the average monthly pay is $58.50. The average annual rate for W.P.A. workers is $702.

Let us take a look at the earnings of other workers. The Secretary of Agriculture in 1940 submitted to the House Appropriations Committee a statement showing the average weekly earnings of certain industrial workers compared with the estimated parity earnings if these workers received wages comparable to farm prices. I quote some of the figures:

	Weekly earnings	Estimated parity earnings
Plumbers	$57.84	$37.24
Electricians	57.60	33.52
Carpenters	54.22	32.87
Bricklayers	63.82	43.36
Factory workers	24.34	17.14

On an annual basis the figures would be:

	Weekly earnings	Estimated parity earnings
Plumbers	$3,007.68	$1,936.48
Electricians	2,995.20	1,743.04
Carpenters	2,819.44	1,709.24
Bricklayers	3,318.64	2,254.72
Factory workers	1,265.68	891.28

To show how rapidly the price changes are injuriously affecting the farmers, I submit a statement prepared by the Bureau of Agricultural Economics showing the weekly earnings of the same workers to whom I have just referred, as of June 1, 1940, if wages had kept pace with those received in agriculture:

	1940 weekly earnings	Weekly earnings at farm ratio
Plumbers	$58.10	$24.74
Electricians	58.04	22.28
Carpenters	55.15	21.86
Bricklayers	64.85	28.82
Factory workers	25.77	11.40

On an annual basis the figures would be:

	1940 weekly earnings	Weekly earnings at farm ration
Plumbers	$3,021.20	$1,386.48
Electricians	3,018.08	1,158.56
Carpenters	2,867.80	1,136.72
Bricklayers	3,372.20	1,498.64
Factory workers	1,340.04	592.80

The following average annual payments are made by the Government to retired employees who are not now engaged in any work for the Government:

Army officers	$3,228.00
Naval officers	3,046.00
Postal employees:	
City letter carriers	1,107.00
Rural letter carriers--male	1,046.00
Rural letter carriers--female	946.00
Post office clerks--male	1,093.00
Post office clerks--female	1,001.00
Retired railroad workers receive average annual payments of	788.40

It may be helpful to know the parity position of some important farm products as of January 1941.

The lowest paid employees on the retired list, drawing their compensation from the Government--the very lowest-- received more than does the farmer, who works 10 hours a day all the days during the year, often assisted by grown sons and other members of his family.

I offer for the RECORD at this point a table showing the parity positions of important farm products.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

Parity positions of important farm products, January 1941

Product	Price, January 1941	Parity price	Percentage market price is of parity
Wheat, cents per bushel	73.0	113.2	64
Corn, cents per bushel	56.0	82.2	68
Rice, cents per bushel	87.9	104.1	84
Cotton, cents per pound	9.45	15.87	60
Butterfat, cents per pound	31.1	35.6	87
Chickens, cents per pound	13.7	14.6	94
Eggs, cents per dozen	19.7	29.9	66
Hogs, dollars per hundredweight	7.26	9.24	79
Beef cattle, dollars per hundredweight	8.09	6.67	121
Lambs, dollars per hundredweight	8.34	7.51	111
Wool, cents per pound	31.3	23.4	134
Tobacco, cents per pound	13.9	- -	- -
Flue-cured, types 11-14, cents per pound	11.6	22.4	52
Fire-cured, types 21-24, cents per pound	9.7	10.5	92
Burley, type 31, cents per pound	15.5	21.8	71
Air-cured, dark, types 35-37, cents per pound	7.9	8.6	92
Cigar, leaf, types 41-45, cents per pound	8.0	10.9	73
Cigar, binder, types 51-55, cents per pound	14.1	15.3	92

Mr. BANKHEAD. Mr. President, I call attention to only a few of them:

Price of wheat per bushel, January 1941, 73 cents. Parity price, 113.2 cents. Percentage market price is of parity, 64 percent.

Price of corn per bushel, January 1941, 56 cents. Parity price 82.2 cents. Percentage market price is of parity, 68 percent.

Price of cotton, January 1941, 9.45 cents per pound. Parity price, 15.87 cents. Percentage market price is of parity, 60 percent.

Price of eggs per dozen, January 1941, 19.7 cents. Parity price, 29.9 cents. Percentage market price is of parity, 66 percent. Of course, there has been some change since January.

Hogs per hundredweight, actual price, $7.26. Parity price, $9.24. Market price is 79 percent of parity.

I will not go through the entire list. Senators may find it in the RECORD, if they are interested in it.

Mr. President, some persons object to the increase in the price of cotton and wheat on the ground that it will increase the price of the products of these commodities. I submit a table showing farm prices and retail prices, coupled with a statement of the middlemen's percentage. I ask to have the table included in the RECORD at this point as part of may remarks.

There being no objection, the table was ordered to printed in the RECORD, as follows:

	Farm price	Retail price	Middlemen's percentage
Wheat and white bread (pound)	$0.012	$0.079	85
Cotton in men's overalls	.15	1.00	85
Cotton in men's work pants	.09	1.00	91
Cotton in girls' school dresses	.02	.59	96

Mr. BANKHEAD. I call attention to the items listed in the foregoing table which are typical. For the wheat in a pound loaf of bread the farmer receives 1.2 cents. The retail price of the pound loaf of bread is 7.9 cents. The middleman's percentage on the loaf of bread is 85 percent.

In the case of cotton in men's overalls, on the basis of a dollar retail sale of cotton in such overalls, the farm price for the cotton is 15 cents. The middleman's percentage is 85 percent.

In the case of cotton in men's work pants, on the basis of a dollar sale, the farmer received 9 cents for the cotton in the work pants. The middleman receives 91 percent.

Cotton in a girl's school dress, retail price 59 cents. The farmer receives 2 cents for the cotton contained in such a dress. The middleman receives 96 percent.

Thus it will be seen that the price paid to the farmers for the raw material constitutes a very negligible part of the prices paid to the retailers by the consumers. If prices for industrial commodities were adjusted to 1941 farm prices of cotton, there would be an outstanding reduction in the price of such industrial commodities.

I cite a few cases, the actual prices being taken from the 1940 Sears, Roebuck catalog. Work shirts, price 73 cents. Adjusted price, 43 cents. Corn planter (2-row check), price $65.95. Adjusted price, $23.75.

Mr. NORRIS. Mr. President, may I interrupt the Senator?

Mr. BANKHEAD. I yield.

Mr. NORRIS. I think the Senator would add to the value of the statistics he is presenting if he would make a fuller explanation. The Senator spoke of a corn planter. What does the Senator mean by a corn planter? The Senator spoke of the adjusted price. What does the Senator mean by that?

Mr. BANKHEAD. By the adjusted price I mean the price which would obtain if, instead of trying to increase farm prices, commodity prices were reduced to the level at which they previously were in comparison with farm prices.

Mr. NORRIS. That is just what I wanted to have the Senator bring out.

Mr. BANKHEAD. Farm prices are that much out of line by reason both of the reduction in farm prices and of the large increase in industrial commodity prices. So if we go back to the days of parity, to the days of fair exchange between the labor of the farmer and the labor of those who produce industrial commodities, we find a tremendous difference; and if the adjustments could be made, the corn planter referred to could now be bought for $23.75 instead of $65.95, the price shown in the Sears, Roebuck catalog of 1940. I thank the Senator from Nebraska for his suggestion.

I ask that the table of prices taken from the Sears, Roebuck catalog for 1940 be printed in the RECORD at this point.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

	Price	Adjusted price
Work shirts	$0.73	$0.43
Corn planter (2-row check)	65.95	23.75
Spike-tooth harrow (2-section)	19.75	7.65
Common nails (8d., 100 pounds)	3.05	1.60

Mr. BANKHEAD. The same disparity of prices is in effect for wheat if current prices are adjusted to 1941 farm price of wheat.

Mr. President, I ask to have printed in the RECORD a table which shows the retail price to farmers during the base period 1910-14 of selected industrial commodities purchased by farmers, as compared with the actual retail price to farmers as of December 15, 1940.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

Table 9-B.--Parity prices of selected industrial commodities purchased by farmers, Dec. 15, 1940

Commodity	Unit	Base retail price to farmers 1910-14	Parity price Dec.15 1940 1/	Actual retail price to farmers Dec. 15, 1940	Actual as percentage of parity
		Dollars	Dollars	Dollars	Percent
Mower, 5-foot	Each	47.76	48.24	97.14	201
Binder, 7-foot	Each	138.00	139.00	259.00	186
Paint, ready-mixed	Gallon	1.94	1.96	2.85	145
Lumber, rough	Thousand board feet	24.94	25.19	46.20	183
Kitchen chairs	Each	.81	.82	1.56	190
Horse blanket	Each	2.47	2.49	3.50	141
Men's work shoes	Pair	2.20	2.22	2.59	117
Barbed wire	80-rod spool	2.74	2.77	3.54	128
		Cents	Cents	Cents	
Newspapers	Copy	1-2	. . . .	3	150-300
Newspaper advertising	Agate line	5.5	5.5	11.5	201

1/ Computed by multiplying base price by index of prices received by farmers, 101 on Dec. 15, 1940 (August 1909-July 1914 = 100). The term "parity price" has not been officially used in connection with industrial commodities. They are shown here to indicate what prices of industrial commodities would have been on Dec. 15, 1940, if the relationships with prices received by farmers in 1910-14 had been carried through to the present.

Bureau of Agricultural Economics. Based on data from Agricultural Marketing Service.

Mr. BANKHEAD. The base price of a 5-foot mower in the parity period 1910 to 1914 was $47.76. The parity price is $48.24. The parity price and the actual retail price are substantially the same. The actual retail price to farmers on December 15, 1940, last December, for the same mower which was sold to the farmers during the base period for $47.76, was $97.14. Percentage, actual price as compared with parity, is 201 percent.

Take a 7-foot binder. The price in the base prewar period was $138. The actual reatil price of the binder on December 15, 1940, was $259. Percentage, actual price compared with parity, 186 percent.

Paint, ready mixed, per gallon. The price during the parity-base period was $1.94 a gallon. December 15, 1940, the price was $2.85. Actual percentage of parity, 145 percent.

Thus the list goes. I will mention rough lumber, per thousand board feet. Price during the base period $24.94. That is what the farmer had to pay for his rough lumber. Last December, 1940, he had to pay $46.20. The actual price, 183 percent of parity. Kitchen chairs, each, base retail price to farmers, 1910-14, 81 cents. Price now $1.56. Actual price 190 percent of parity. Thus the list goes.

Mr. President, I submit for the RECORD a list of actual items which are in constant and daily use by practically all our farm population, to show the disadvantage which they now suffer in price relationship; how greatly the fruit of a days' labor of a farmer is now out of line with a day's labor of an industrial worker and others of the nonfarm population, including salaried persons.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

Table 9-A.--Table giving for 1940, for selected foods and for the total of 58 foods, the average retail price for the United States, the average farm price of the raw commodity, and the percentage of the retail price going to middlemen

	Farm price	Retail price	Middlemen's percentage
White flour (pound)	1.7 cents	4.3 cents	60
White bread (pound)	1.2 cents	7.9 cents	85
Pork products (pound)	10.3 cents	18.8 cents	45
Dairy products (100 pound milk equivalent	$1.47	$3.30	55
Eggs (dozen)	19.1 cents	33.2 cents	42
Rice (pound)	2.3 cents	7.9 cents	71
Canned peaches (No. 2-1/2 can)	1.9 cents	16.9 cents	89
Canned corn (No. 2 can)	1.4 cents	10.5 cents	87
Prunes (pound)	3 cents	9.7 cents	69
58 foods total	$132	$314	58
Cotton goods:			
Men's overalls	15 cents	$1	85
Men's work pants	9 cents	$1	91
Men's work shirts	5 cents	69 cents	93
Men's dress shirts	6 cents	$1	94
Women's housedresses	7 cents	$1	93
Women's nightgowns	5 cents	69 cents	93
Women's stockings	1 cent	25 cents	95
Girls' school dresses	2 cents	59 cents	96
Boys' overalls	9 cents	79 cents	89
Boys' knickers	8 cents	$1.19	93
Sheets	9 cents	79 cents	79
Pillowcases	4 cents	23 cents	82
Towels	2 cents	17 cents	88
Denims	5 cents	19 cents	73

Mr. BANKHEAD. Suppose farm prices had kept pace with the increases in returns for nonfarm commodities and services? The following table shows what farmers would be receiving as compared with what they are actually receiving:

Prices which farmers would have received for specified commodities on Oct. 15, 1940, if farm prices had kept pace with nonfarm commodities and services

Commodity	Unit	Prices received Oct.15,1940	Prices at industrial ratio
Cotton, per pound	Cents	9.35	27.58
Wheat, per bushel	Cents	68.2	196
Corn, per bushel	Cents	59.4	142
Oats, per bushel	Cents	28.3	88.9
Rice, per bushel	Cents	63.0	180
Potatoes, per bushel	Cents	52.0	151
Peanuts, per pound	Cents	3.26	1.06
Butterfat, per pound	Cents	28.8	58.8
Eggs, per dozen	Cents	23.7	59.5
Hogs, per 100 pounds	Dollars	5.83	16.03
Hay, per ton	Dollars	5.99	26.39
Horses each	Dollars	96.10	305.90

The comparative prices presented disclose the great disadvantage to which the farmers are subjected.

There is no prospect for an increase in the price of wheat and cotton. There is on hand at this time the largest surplus of each of these commodities in the known history of the world. There is enough wheat on hand in Canada to supply the requirements of Canada and England for 2 years if no new crop should be produced this year. There are no storage facilities there to take care of this year's crop. Nearly all the cotton warehouses are filled with accumulated cotton. The export markets for both cotton and wheat are absolutely closed. Without help from the Government, the price of cotton and the price of wheat would doubtless go lower than they did in 1932. That would happen in the face of rising prices for everything that the farmers are obliged to buy. Thus, the industrial areas would be highly prosperous and the agricultural areas would be plunged into destitution and bankruptcy.

It seems strange that the nonfarm population does not take more active interest in the effort of the friends of the farmers in Congress to increase the purchasing and debt-paying power of nearly one-fourth of our population. If parity prices for basic commodities were increased to parity levels, the income of the farmers would be increased about one-third. Increasing the income of the producers of basic farm commodities by 33-1/3 percent would be of more value to the business prosperity of the town and city people than would be the increase in rural population by the same percentage, with present prices prevailing. An increase in the income of the farmers puts practically the entire amount of the increase into circulation not only for paying debts but also for the purchase of property needed by the family and on the farm. One certain way to overcome the loss in foreign markets is to increase in an equivalent way the purchasing power of our home consumers. This reminds me of an old church song:

> If you cannot cross the ocean and the foreign lands explore,
> You can find the heathen nearer, you can find him at your door.

By increasing the prices of farm products, this song could well be paraphrased as follows:

> If you cannot cross the ocean and the foreign trade explore,
> You can find the buyers nearer, you can find them at your door.

A study of industrial shipments to agricultural States after 1933--the year farmers' income started upward after the depression--covering carlot shipments on more than 125 railroads operating in the North and East, from 16 Northern and Eastern States to the principal agricultural areas in the Southeast, Southwest, and Northwest, shows an increase in the first year after June 30, 1933, of 38.7 percent, and the second year thereafter an increase of 60.1 percent. A majority of the increases in shipments resulted from additional purchases by farmers of agricultural equipment and other agricultural supplies. There was, in fact, an increase of 165.2 percent in these commodities. Give the farmers sufficient money and they will keep the wheels of industry turning.

Some sincere persons have expressed an anxiety about the effect on consumption of cotton that increased prices might cause. Fortunately, the official records on that subject are available and they show conclusively that increased prices for cotton do not result in a reduction in consumption. The official figures establish that the contrary is true. When trade conditions are good and people have purchasing power, the consumption of cotton always increases and the resultant rise in prices of raw cotton which always follows increased consumption has not resulted in the reduction in consumption.

I submit an official table showing the foreign, domestic, and total consumption of American cotton each year from 1914-15 to 1940-41, inclusive. This table also shows the high, low, and average prices of middling spots per pound at New York. The record as shown by the figures contained in the table should be conclusive to any fair-minded person that there is no danger of reducing the volume of consumption of cotton as a result of the increase in prices of lint cotton which may follow from the passage of pending legislation on the subject. I ask unanimous consent that the table be printed in the RECORD at this point in my remarks.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

Crop Year	Mill consumption, in thousands of bales			Seasons's prices, Middling Spots, New York, in cents per pound		
	Domestic	Foreign	Total	High	Low	Average
1914-15	5,375	7,874	13,249	11.00	7.25	9.10
1915-16	6,081	6,958	13,039	13.45	9.20	11.98
1916-17	6,471	6,091	12,562	27.65	13.35	19.28
1917-18	6,382	4,489	10,871	36.00	21.20	29.68
1918-19	5,590	4,319	9,909	38.20	25.00	31.00
1919-20	6,003	5,895	11,898	43.75	28.85	38.29
1920-21	4,677	5,591	10,268	40.00	10.85	17.89
1921-22	5,613	6,596	12,209	23.75	12.80	18.92
1922-23	6,322	6,124	12,449	31.30	20.35	26.30
1923-24	5,353	5,564	10,917	37.65	23.50	31.11
1924-25	5,917	7,394	13,311	31.50	22.15	24.74
1925-26	6,176	7,834	14,010	24.75	17.85	20.53
1926-27	6,880	8,868	15,748	19.20	12.15	15.15
1927-28	6,535	9,041	15,576	23.90	17.00	20.42
1928-29	6,778	8,448	15,226	21.65	17.65	19.73
1929-30	5,803	7,218	13,021	19.55	12.45	16.60
1930-31	5,084	5,972	11,056	13.15	8.25	10.38
1931-32	4,744	7,784	12,528	8.15	5.00	6.34
1932-33	6,004	8,381	14,385	11.75	5.70	7.37
1933-34	5,553	8,227	13,780	13.35	8.65	11.09
1934-35	5,241	5,965	11,206	13.95	10.65	12.44
1935-36	6,221	6,282	12,503	13.65	10.65	11.75
1936-37	7,768	5,325	13,093	15.25	11.18	12.93
1937-38	5,616	5,179	10,795	11.35	7.71	8.75
1938-39	6,736	4,513	11,249	10.02	7.88	9.00
1939-40	7,616	5,234	12,850	11.66	8.82	10.40
1940-41	1/ 9,250	1/ 2,000	1/ 11,250	11.61	9.68	2/ 10.41

1/ Estimated

2/ Average, August through March.

Source: Division of Program Development and Coordination Bureau of Agricultural Economics and New York Cotton Exchange.

Mr. BANKHEAD. The following table shows parity prices, and loan prices at 85 and 75 percent of parity, respectively:

	Parity	85 percent parity	75 percent parity
Cotton, cents per pound	15.87	13.49	11.90
Corn, cents per bushel	82.2	69.87	61.65
Wheat, cents per bushel	113.2	96.22	84.90
Tobacco:			
Flue-cured, cents per pound	22.4	19.00	16.8
Fire and dark air-cured, cents per pound	9.9	8.41	7.42
Burley, cents per pound	21.8	18.53	16.35

The loan rate on the 1940 crops was as follows:

	Cents
Cotton (pound)	8.9
Corn (bushel)	61
Wheat (bushel)	65
Tobacco:	
Flue-cured (pound)	15
Fire and dark air-cured (pound)	7.4
Burley (pound)	16.3

It is estimated that the soil-conservation payments for this year on the principal commodities will be as follows:

	Cents
Cotton (pound)	1.37
Corn (bushel)	.9
Wheat (bushel)	.8
Tobacco:	
Flue-cured (pound)	.8
Fire-cured (pound)	1.50
Dark air-cured (pound)	.1
Burley (pound)	.8

An 85-percent loan with soil-conservation payments added would provide the following incomes:

	Cents
Cotton (pound)	14.86
Corn (bushel)	78.87
Wheat (bushel)	104.22
Tobacco:	
Flue-cured (pound)	19.8
Fire-cured (pound)	9.91
Dark air-cured (pound)	9.41
Burley (pound)	19.33

The total supplies of the five basic crops at the beginning of the 1940-41 marketing season and the estimated domestic consumption and exports are as follows:

Cotton (American) bales	25,500,000	10,000,000
Corn - bushels	3,150,000,000	2,350,000,000
Wheat - do.	1,101,000,000	705,000,000
Rice - hundredweight	28,900,000	23,500,000
Tobacco:		
Flue-cured - pounds	2,052,700,000	698,000,000
Burley - do.	1,065,600,000	348,000,000
Fire-cured - do.	234,400,000	89,000,000
Dark air-cured - do.	96,900,000	35,000,000

Some persons object to any increase in the price of farm commodities on the ground that such increase must be borne by the consumers. It is a significant fact, and a distressing one to the friends of farmers, that this consumer argument is always raised by certain urban groups in opposition to increased farm prices, even when they are below parity prices. The same objectors approve an increase in the wages of industrial labor, although such increase is necessarily reflected in the cost of goods purchased by consumers. Recently the Guffey Bituminous Coal Act was extended for 2 years. Under that act, coal prices are fixed and the cost of coal to consumers is thereby increased. Many of those who object to an increase in the prices of farmers' products actively supported the continuance of the coal price-fixing program. The Fair Labor Standards Act, commonly referred to as the wage-and-hour law, was pending before Congress for many months. The evident and declared intention of that act was to raise the price of labor throughout the country. It naturally had the effect of raising the price of practically everything the farmer buys. We heard of no outcry of opposition on behalf of the consumers at that time. When the right of labor to organize and to be represented by agents of their own choice was pending before Congress, and when other rights were guaranteed to workers in the matter of securing higher wages and better working conditions, it was a known fact that such legislation would result in an increase in the cost of industrial commodities and that such increased cost must be borne by the consumers. There was no outcry against the passage of such laws on the alleged ground that the interest of the consumers would be injuriously affected. The people interested in the bills mentioned were organized. They were in position to protect themselves, and they did so. The farmers, consisting of nearly 25 percent of the population of our country, are unorganized and scattered from ocean to ocean. They have no way to make their wishes heard except through a few farm organizations representing a small percentage of the total farm population. They must rely for protection and help upon their Senators and Representatives in Congress.

The claim that a fair income for the farmers is against the best interest of the consumers is not true in fact, and is not justified by the attitude of the great masses of industrial labor. Representative CLARENCE C. CANNON of Missouri, one of the ablest and best friends the farmers have in Congress, made the following statement in a recent speech in the House:

> Labor above all others believes that the man who earns his bread by the sweat of his brow is entitled to a fair and honest remuneration, and no one can make me believe that labor wants to mooch its food from the half-paid farmer when it is being well paid itself. Labor justly contends it is entitled to advance wages because there has been a great advance in the profits of industry and labor is entitled to its share of the profits. I have supported that principle on this floor at every opportunity, and I know labor will agree with us that when labor's wages are raised to a fair income, the farmer who feeds him is likewise entitled to a fair price for his products.

The Census Bureau figures prove the disadvantage to which the country people have been subjected by the upward trend of industrial prices and the downward trend of agricultural prices. The result has been a steady drift of country people away from the farms and to the urban centers. In 1930, farm population was 24.8 percent of the entire population of the United States. In 1940 the percentage was reduced to 23.1 percent. About two and one-fourth million country people were forced by low farm prices and small incomes to leave the farms and seek more profitable employment and more desirable environments. The great migration from the farms is continuing in bewildering numbers. It is due to a condition of poverty on farms in many sections of America.

The workers of this country have, by statute, a minimum number of hours of labor and a minimum income for their work. Organized labor has secured, through its contracts and largely through Federal protection of its bargaining power, a floor under its income. Why should not the same privilege be extended to the great mass of farm people who work many long hours and produce the absolute necessities for our city population? The farmers now have the lowest income of any large group of workers in this country. Their situation has been too long neglected. In the matter of income they should now be placed in a position comparable with that of other workers in this country.

The mandatory-loan plan now pending before the Senate, if enacted into law, will place a just and fair floor under the income of nearly one-fourth of our population. At present this large percentage of our people is receiving only 6.9 percent of the national income after including all Government payments received. Farmers have shown a willingness on many tested occasions to make sacrifices in the matter of reduction in the planted acreage of certain cash crops, and thereby a reduction in the number of units to be sold, in order to bring the business of agriculture soundly under the trade law of supply and demand. The great industrial groups of this country, like the Steel Corporation and General Motors, reduce production whenever it becomes necessary to meet declining purchasing power for their products. They adjust supply to fit demand.

The producers of the basic crops involved in this legislation are entirely willing and anxious to follow the same sound trade law. The Government can amply protect itself from substantial losses under the proposed loans. The surpluses are now in the Government's hands. There is no market for these surpluses. If the future crops are adjusted to meet current demands, there will be no difficulty in obtaining from the consumers, without injury to them, the loan prices for the commodities involved.

There never has been a better opportunity for the Government to increase the income of the producers of the basic agricultural commodities without substantial loss to the Government. There never has been a better opportunity to apply the trade law of supply and demand to seminonperishable agricultural commodities.